



United States Mission to the OSCE

Economic and Environmental Dimension Implementation Meeting Opening Remarks

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On behalf of the United States, I would like to thank the Lithuanian Chairman-in-Office, Secretary General Zannier, Coordinator for Economic and Environmental Activities Svilanović, and of course our Austrian hosts for convening this inaugural Economic and Environmental Dimension Implementation Meeting and for providing a warm welcome to Vienna. It is an honor to be here today as head of the U.S. delegation to the OSCE, representing the U.S. Government in my capacity as an Assistant Secretary of Commerce for Market Access and Compliance (MAC) within the International Trade Administration, and as a Commissioner to the U.S. Helsinki Commission. As a Commerce Department Assistant Secretary for Market Access and Compliance, I am responsible for helping lead the effort to open new markets for U.S. companies, identifying and eliminating market access challenges such as non-tariff barriers to trade, and helping to monitor and enforce U.S. trade agreements and commitments. The work of the Environmental and Economic Dimension, especially that which focuses on transparency of markets and good governance, is closely aligned with the work we undertake in the International Trade Administration.

I am here today to deliver the message that the U.S. Government is highly committed to making the second dimension even more effective and dynamic, and that we will do our part in ensuring that our economic and environmental commitments receive the same level of attention and scrutiny that those in the political-military and human dimensions currently enjoy.

I will try to keep my remarks brief, but I think it is critical that we take a close look at the economic and environmental commitments as they were spelled out in the 2003 Maastricht Strategy. We still see Maastricht as the key blueprint for moving forward on all the commitments that have come before, and in particular, note a number of areas where we could pursue significant, substantive action over the next few years to achieve measurable progress.

Our commitments on economic cooperation have at their core the idea of connectedness to regional and global markets, to trade and investment networks, and to energy and transportation infrastructure, as a way to address emerging economic challenges and threats. In light of the global economic downturn, it is vital that we recommit ourselves to increasing cooperation through a variety of measures, including improving corporate governance and public management, eliminating unnecessary and discriminatory barriers to trade, continuing to harmonize our regulations and standards where appropriate, taking further steps to combat financial crimes like bribery and money laundering, and increasing confidence through the incorporation of transparency principles in all of our public and private ventures. At the same time, in view of our progress made this year worldwide on empowering women in the

economy, first at the Invest for the Future Conference in Istanbul in January and most recently at the APEC Summit in San Francisco, we believe it is important to recognize the critical connection between women and strong economies, and to remove all barriers that prevent women from full and equal participation in the economy.

I would like to focus my comments this morning on the subject of good governance, however. We have committed ourselves time and again to “good governance,” and while progress has been made, much work remains to be done. As stated in the 2003 Maastricht Strategy, achieving good governance will require a comprehensive, long-term strategic approach. In the view of the U.S. Government, good governance is the core theme within the economic and environmental dimension, and we are pleased that next year’s Forum will address the topic in a broad and detailed way.

When we speak of good governance, we speak about governments having both the propensity and the competence to manage complex political and economic systems in a fair, fully inclusive, and transparent way. Anti-corruption is part of it, but not the whole picture. It’s about having transparent, clear and predictable legislative and regulatory frameworks that foster efficient and low-cost business formation and development, and most importantly allow and even encourage robust participation in the political and economic spheres by civil society.

Let me say a few words about my agency’s past and current work in this area, reserving greater details and the highlights of a new proposal for Session III tomorrow. From 1998-2008, the U.S. Department of Commerce launched a Good Governance Program, focused on partnering with the public and private sectors in the countries of the former Soviet Union and Central-Eastern Europe. This work, focused on promoting sound corporate governance and business ethics, culminated in the publication of a Business Ethics Manual, a Commercial Dispute Resolution Handbook, and a Corporate Governance Manual translated into several languages and disseminated widely throughout the OSCE region. Today, we continue to work on numerous initiatives around the world, within multilateral fora such as APEC and the G20, which involve OSCE members, promoting consensus based principles focused on anti-corruption. We have taken our business ethics work and branched out into new regions including Asia and Latin America.

Despite a clear understanding of its importance, the lack of good governance and systemic corruption remain some of the single most important market access challenges for companies engaged in trade around the world. This is especially true for small and medium sized enterprises, which are the engine of economic growth and innovation throughout the world. The United States believes that addressing these issues can only lead to greater investment, economic prosperity and security.

Over the next three days, we will discuss OSCE support for the Extractive Industries Transparency Initiative (EITI). I am pleased to report that the U.S. Department of Commerce played an important role in supporting the creation of the EITI in its initial phase. The OSCE now has a chance to follow in the steps of the G8 and G20, by endorsing the EITI, and I applaud the governments that have preceded the United States as implementers. The EITI is a great example of how shared commitments towards good governance and transparency in a vital sector to many countries can work and build sustained momentum and engagement between the private sector, governments and civil society.

Tomorrow I will share more concrete information about the work that the U.S. Government and my Department have undertaken to promote good governance and to combat corruption. I am pleased to have an expert on business ethics and anti-corruption in the energy sector, as part of the U.S. delegation. Mr. Matthew Murray runs the Center for Business Ethics and Corporate Governance in St. Petersburg, Russia, and he'll speak to you later about a good governance initiative involving public and private stakeholders in the power generation sector in Russia, which may serve as a model for similar programs in other OSCE countries. I am also pleased to have Kate Watters of Crude Accountability joining the U.S. delegation, who will provide some examples of how transparency is a critical component of enhancing security in the environmental sphere.

A month ago, the Economic and Environmental Forum discussed the concept of sustainability and where efforts to promote sustainable practices stand in our region. Those discussions remind us that our commitments on sustainable development encompass a broad spectrum of activities related to efficiency, sound resource management, and the full involvement of all stakeholders in decision-making. Just to cite an example from the Prague Forum, we recognize that in order to further develop economies and markets in such varied areas as the Black Sea region and Central Asia we will need to address several problems: improving the efficiency of border crossings and building construction, tilting the energy mix towards cleaner fuels, harmonizing standards and practices across the region, and, just as critically, ensuring broad involvement of civil society in the decision-making on project proposal, design, and implementation.

One thing that sets the OSCE apart from many other organizations addressing the environment is recognition of the clear connection between the environment and security. We recognize that many environmental disasters cannot be predicted or prevented. At the same time, greater transparency – through information sharing and civil society engagement – about possible security risks stemming from the environment will make it possible to prevent or mitigate more disasters, both natural and man-made. We also must recognize that failure to protect the environment is itself a security risk, putting increased pressure on populations facing dwindling resources of clean air and water, arable farmland, and adequate energy.

Colleagues,

The next three days provide a critical juncture and platform for finding consensus on measures that will improve our implementation of the OSCE commitments in the economic and environmental dimension. The Vilnius Ministerial is only a month and a half away; now is the time to summon the political will to find a way forward. We look forward to building consensus on decisions on energy security, to include good governance and transparency, and we welcome constructive dialogue on additional measures proposed on confidence-building initiatives and sustainable transport. We view these elements, along with sustainable development and protecting the environment, as the cornerstones of the Maastricht Strategy, and will be speaking about these over the next several days.

Just a month ago, we found some convergence of opinion on discrete aspects of the second dimension. Let us expand that convergence to the entire dimension as we review our economic and environmental commitments over the next few days, with a view toward substantive deliverables for Vilnius.

Thank you, Mr. Moderator.